

Subject: [Fwd: Re: thoughts on PERP]
From: Alexa Malik <amalik@arb.ca.gov>
Date: Mon, 27 Nov 2006 10:52:35 -0800
To: Lori Andreoni <landreon@arb.ca.gov>

Comment letter

----- Original Message -----

Subject: Re: thoughts on PERP
Date: Sun, 26 Nov 2006 13:02:13 -0800
From: Kitty Howard <khoward@arb.ca.gov>
Organization: California Air Resources Board
To: Jim Bury <buryj@putzam.com>
CC: Michael Tollstrup <mtollstr@arb.ca.gov>, Christopher Gallenstein
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References: <s5624c66.046@mail.putzam.com>

Jim,

I really appreciate the amount of time that you devoted to writing these comments--they are very well thought out. We have been looking at the comments from "every which way" and hope to be able to post revised concepts either tomorrow or Tuesday. In addition to your time, I also appreciate your professionalism and the level of understanding that you have about how hard this process is, particularly with the compressed time schedule. Thanks very much. Kitty

Jim Bury wrote:

> Thank you once again for your patience and understanding with everyone
> in the meeting, and especially those on the phone who do not know where
> the mute button is. Further, I will not waste your time repeating all of
> the points presented and emphasized in the meeting as I am sure all of
> you took copious notes and will seriously review the Tier 0 and fee
> structure recommendation presented.
>
> My only concern is the prevailing concept that both Staff and the Board
> have on when machines are truly available to the public. I understand
> your deep desire to get clean machines into CA and to get the journey
> started on cleaning up the air. But just like your one-year full-blown
> government process that you mentioned that is "standard", the complete
> supply chain in the construction equipment industry is the proverbial
> slow boat to China.
>
> First let me say that in our industry, you can take the first sentence
> of the "sell through provision" out ... dealers will never get an engine
> prior to the Tier change because of the way the US EPA set up the flex
> system and the manufacturing lead times involved.
>
> I also do not believe the six months that you are considering proposing
> in the second scenario will work as smoothly as you anticipate for our
> industry for three reasons:
>
> 1) In the horsepower ranges that PERP covers, the concrete pump industry
> relies completely on Deutz engines (everyone is in the same boat). Lets

> take the over 100 horsepower machines as an example. Deutz is unable to
> supply production quantities of engines, or has sufficient Flex program
> credits, until April of next year. Our manufacturing lead times depend
> on a lot of factors, at best we would see the FIRST (but certainly not
> all) units arriving at the dealer/customer around your 6 month deadline.
> To fill all of the pre-registered customers orders, we would need an
> additional month or two.

>
> 2) We are one of the largest manufacturers of this equipment in our
> industry. Being a "big" customer implies we will most likely get the
> first engines in our industry. This means some other smaller companies
> may not see engines until 3rd Quarter. Is the ARB ready to hear the
> cries of those small OEM business owners who will say they are being
> shut out of doing business because customers are forced to buy from the
> competition because of a registration regulation? FYI: in our industry,
> two of those small OEMs are California-based and one has rather deep
> pockets and isn't afraid to speak out.

>
> 3) In our industry, this machine is almost a commodity in that they do
> not plan and buy this machine 6 months ahead of time. They see a need
> (specifically, they receive the acceptance of a large bid) and they buy
> the equipment they need in a matter of days or weeks. That is quite a
> leap of faith to ask our customers to buy equipment that far in advance
> AND pay registration fees to join PERP. The most likely effect would be
> the same as not having a provision at all.

>
> The suggestion here would be to either open up to 12 months, or tie it
> into the US EPA flexibility program.

>
> If you have any questions or comments, please feel free to call or write
> me at any time. And again, thank you for all of your efforts. As Mike
> and I discussed, I understand the situation and pressures you are in
> having gone through similar circumstances with ASME/ANSI and CalOsha
> safety standards writing programs.

>
>
> Best Regards,

>
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